

**Renewable Energy Initiative  
Findings To-Date  
August 15, 2007**

**BARRIERS TO COMMERCIALIZATION**

Wind

- Resource in Utah is limited compared to other states, with a lower capacity factor than Wyoming (however, transmission is constrained in Wyoming)
- Pricing
  - 100 MW requirement of the RFP process limits the ability to bring small wind farms online
  - Schedule 38 (3MW to 99MW) can cause problems, since prices are based upon last wind plant added and since wind capital costs are increasing, any lag between the last plant and the proposed plant penalizes the new project.
  - Schedule 38 is based upon entire RMP system; because Utah wind resource isn't as favorable as Wyoming and other sites, Schedule 38 prices tend to be too low for Utah projects.
  - Least cost portfolio requirement is a barrier to renewable development
- Mechanical availability issues (developer has to pay market rates if availability isn't met).
- Tax structure compared to neighboring states

Geothermal

- Project timelines are long
- Geothermal resource acquisition, typically on federal lands, requiring an extensive approval process
- Uncertain sustainability of the geothermal resource
- Well drilling expenses and rig availability
- Construction costs
- Application of production tax credits and renewable energy certificates
- Proving the geothermal resource is expensive

## Solar

Issues for photovoltaic (PV) solar power:

- Lack of communication, information dissemination, and consumer awareness
- Inadequate codes and standards
- Lack of appropriate, consistent interconnection standards
- Lack of equitable and effective net-metering guidelines
- Cost

Issues for concentrating solar power (CSP):

- Extend the 30% Federal PTC
- Exempt sales and property taxes
- Allow longer-term Power Purchase Agreements
- Encourage State PUCs, utilities, and project developers to seek means for aggregating plant orders

## RPS Review

DR. Ryan Wiser Comments on impacts of current RPS's across the country:

- Expected cost of state RPS policies is typically modest; benefits are not insignificant
- A state-specific cost-benefit study can be helpful in educating stakeholders
- Actual RPS costs in most states have, in general, been relatively low
- Cost caps and RPS design can be tailored to avoid some adverse cost impacts
- But... it is true that an RPS *may* increase retail electricity rates

Oregon Case-Study: See Attachment

## General Comments

One word: ***Transmission, Transmission, Transmission!!!***

Least-Cost, Least-Risk Issues (Cost Effective): To increase renewables, for example more renewables than RMP has slated in the current IRP, need to update statute to reflect priority.